

Name	Definition
11. Total Number of Repeat Reports (30 days rolling)	This is the number of measured customer repeat reports (i.e. CR repeat reports) within a 30 day rolling window. The measured CR reports include: Came Clear (CC), Central Office (CO), Facility (FAC), Test OK (TOK), Serving Bureau Time (SVB), NPC - BA switch and beyond. Non-measured customer reports are Information (INF), Customer Provided Equipment (CPE), and Interexchange Carrier (IEC). This measurement will be provided initially at a regional level, not state specific. The 3 components of the regional measurement are: one for Pennsylvania and Delaware, one for New Jersey and one for the 4 former C&P Companies, Maryland, Virginia, West Virginia and Washington, DC. BA will request an enhancement to the support system being used for measurements. State specific measurements will be available on a date to be determined (TBD).
12. Repeats as a Percent of Total Troubles	Number of measured customer repeat reports (i.e. CR repeat reports) divided by the total number of customer reports (i.e. CR reports). See definition of customer report contained in item # 11. This measurement will also be provided initially at a regional level, not state specific. See definition of regions in item #11.
13. Number of Out of Service Cleared >= 24 Hours	Number of out of service customer reports (i.e. CR reports) cleared in 24 hours or more. See definition of customer report contained in item # 11. For Special Services columns, the measurements will be "Stop Clock" measurements where "no access" time is removed from the measurement.
14. Percent of Out of Service Cleared >= 24 Hours	Number of Out of Service Cleared >= 24 Hours divided by the total number of customer reports (i.e. CR reports). The result is expressed as a percentage. See definition of customer report contained in item # 11. For Special Services columns, the measurements will be "Stop Clock" measurements where "no access" time is removed from the measurement.

Reseller Measurement Reports (Monthly Results Reported By State)

Schedule 12B

"Reseller Specific" Report

Performance Measurement	Special Services (Access)			CLEC Trunking	Unbundling		Resale
	DS0	DS1	DS3		POTS	Special Services	POTS
Installation							
1 Number of Installations	See note below	See note below	See note below	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
2 Average Interval in Days	See note below	See note below	See note below	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
3 Percent Install on Time	See note below	See note below	See note below	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
4 Total Number of Missed Appointments	See note below	See note below	See note below	N/A	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
5 Total Percent of Missed Appointments	See note below	See note below	See note below	N/A	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
Service Quality							
6 Number of Reports	See note below	See note below	See note below	4/1/97	See note below	See note below	See note below
7 Mean Time to Clear Reports	See note below	See note below	See note below	4/1/97	See note below	See note below	See note below
8 Number of Failures	See note below	See note below	See note below	4/1/97	See note below	See note below	See note below
9 Failure Frequency Percent	See note below	See note below	See note below	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
10 Percent Without Report Outstanding	See note below	See note below	See note below	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
11 Total Number of Repeat Reports (30 Days Rolling)	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97
12 Repeats as a Percent of Total Troubles	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97
13 Number of Out of Service Cleared >= 24 Hours	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97
14 Percent of Out of Service Cleared >= 24 Hours	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97

Note: End of first full calendar month following initial exchange of traffic between the Parties under this Agreement

Reseller Measurement Reports (Monthly Results Reported By State)

Schedule 12C

Bell Atlantic Including Bell Atlantic Affiliates Report

Performance Measurement	Special Services (Access)			CLEC Trunking	Unbundling		Retail
	DS0	DS1	DS3		POTS	Special Services	POTS
Installation							
1 Number of Installations	1/1/97	1/1/97	1/1/97	4/1/97	N/A	N/A	1/1/97
2 Average Interval in Days	1/1/97	1/1/97	1/1/97	4/1/97	N/A	N/A	1/1/97
3 Percent Install on Time	1/1/97	1/1/97	1/1/97	4/1/97	N/A	N/A	1/1/97
4 Total Number of Missed Appointments	1/1/97	1/1/97	1/1/97	N/A	N/A	N/A	1/1/97
5 Total Percent of Missed Appointments	1/1/97	1/1/97	1/1/97	N/A	N/A	N/A	1/1/97
Service Quality							
6 Number of Reports	1/1/97	1/1/97	1/1/97	4/1/97	N/A	N/A	1/1/97
7 Mean Time to Clear Reports	1/1/97	1/1/97	1/197	4/1/97	N/A	N/A	1/1/97
8 Number of Failures	1/1/97	1/1/97	1/1/97	4/1/97	N/A	N/A	1/1/97
9 Failure Frequency Percent	1/1/97	1/1/97	1/1/97	4/1/97	N/A	N/A	1/1/97
10 Percent Without Report Outstanding	1/1/97	1/1/97	1/1/97	4/1/97	N/A	N/A	1/1/97
11 Total Number of Repeat Reports (30 Days Rolling)	4/1/97	4/1/97	4/1/97	N/A	N/A	N/A	4/1/97
12 Repeats as a Percent of Total Troubles	4/1/97	4/1/97	4/1/97	N/A	N/A	N/A	4/1/97
13 Number of Out of Service Cleared >= 24 Hours	4/1/97	4/1/97	4/1/97	N/A	N/A	N/A	4/1/97
14 Percent of Out of Service Cleared >= 24 Hours	4/1/97	4/1/97	4/1/97	N/A	N/A	N/A	4/1/97

Reseller Measurement Reports (Monthly Results Reported By State)

Schedule 12D

Top 3 Carrier Customers Report

Performance Measurement	Special Services (Access)			CLEC Trunking	Unbundling		Resale
	DS0	DS1	DS3		POTS	Special Services	POTS
Installation							
1 Number of Installations	1/1/97	1/1/97	1/1/97	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
2 Average Interval in Days	1/1/97	1/1/97	1/1/97	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
3 Percent Install on Time	1/1/97	1/1/97	1/1/97	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
4 Total Number of Missed Appointments	1/1/97	1/1/97	1/1/97	N/A	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
5 Total Percent of Missed Appointments	1/1/97	1/1/97	1/1/97	N/A	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
Service Quality							
6 Number of Reports	1/1/97	1/1/97	1/1/97	4/1/97	1/1/97	1/1/97	1/1/97
7 Mean Time to Clear Reports	1/1/97	1/1/97	1/1/97	4/1/97	1/1/97	1/1/97	1/1/97
8 Number of Failures	1/1/97	1/1/97	1/1/97	4/1/97	1/1/97	1/1/97	1/1/97
9 Failure Frequency Percent	1/1/97	1/1/97	1/1/97	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
10 Percent Without Report Outstanding	1/1/97	1/1/97	1/1/97	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
11 Total Number of Repeat Reports (30 Days Rolling)	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97
12 Repeats as a Percent of Total Troubles	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97
13 Number of Out of Service Cleared >= 24 Hours	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97
14 Percent of Out of Service Cleared >= 24 Hours	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97

Note: Results produced when a minimum of 3 carriers purchase measured service.

Reseller Measurement Reports (Monthly Results Reported By State)

Schedule 12E

All CLECs Report

Performance Measurement	Special Services (Access)			CLEC Trunking	Unbundling		Resale
	DS0	DS1	DS3		POTS	Special Services	POTS
Installation							
1 Number of Installations	1/1/97	1/1/97	1/1/97	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
2 Average Interval in Days	1/1/97	1/1/97	1/1/97	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
3 Percent Install on Time	1/1/97	1/1/97	1/1/97	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
4 Total Number of Missed Appointments	1/1/97	1/1/97	1/1/97	N/A	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
5 Total Percent of Missed Appointments	1/1/97	1/1/97	1/1/97	N/A	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
Service Quality							
6 Number of Reports	1/1/97	1/1/97	1/1/97	4/1/97	1/1/97	1/1/97	1/1/97
7 Mean Time to Clear Reports	1/1/97	1/1/97	1/1/97	4/1/97	1/1/97	1/1/97	1/1/97
8 Number of Failures	1/1/97	1/1/97	1/1/97	4/1/97	1/1/97	1/1/97	1/1/97
9 Failure Frequency Percent	1/1/97	1/1/97	1/1/97	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
10 Percent Without Report Outstanding	1/1/97	1/1/97	1/1/97	4/1/97	Est. (7/1/97)	Est. (7/1/97)	Est. (7/1/97)
11 Total Number of Repeat Reports (30 Days Rolling)	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97
12 Repeats as a Percent of Total Troubles	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97
13 Number of Out of Service Cleared >= 24 Hours	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97
14 Percent of Out of Service Cleared >= 24 Hours	4/1/97	4/1/97	4/1/97	N/A	4/1/97	4/1/97	4/1/97

Note: Results produced when a minimum of 3 carriers purchase measured service

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Reseller Measurement Reports (Monthly Results Reported By State)

Schedule 12F

Top 10 Largest Customers Report

Performance Measurement	Special Services (Access)			CLEC Trunking	Unbundling		Resale
	DS0	DS1	DS3		POTS	Special Services	POTS
Installation							
1 Number of Installations	TBD	TBD	TBD	TBD	TBD	TBD	TBD
2 Average Interval in Days	TBD	TBD	TBD	TBD	TBD	TBD	TBD
3 Percent Install on Time	TBD	TBD	TBD	TBD	TBD	TBD	TBD
4 Total Number of Missed Appointments	TBD	TBD	TBD	TBD	TBD	TBD	TBD
5 Total Percent of Missed Appointments	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Service Quality							
6 Number of Reports	TBD	TBD	TBD	TBD	TBD	TBD	TBD
7 Mean Time to Clear Reports	TBD	TBD	TBD	TBD	TBD	TBD	TBD
8 Number of Failures	TBD	TBD	TBD	TBD	TBD	TBD	TBD
9 Failure Frequency Percent	TBD	TBD	TBD	TBD	TBD	TBD	TBD
10 Percent Without Report Outstanding	TBD	TBD	TBD	TBD	TBD	TBD	TBD
11 Total Number of Repeat Reports (30 Days Rolling)	TBD	TBD	TBD	TBD	TBD	TBD	TBD
12 Repeats as a Percent of Total Troubles	TBD	TBD	TBD	TBD	TBD	TBD	TBD
13 Number of Out of Service Cleared >= 24 Hours	TBD	TBD	TBD	TBD	TBD	TBD	TBD
14 Percent of Out of Service Cleared >= 24 Hours	TBD	TBD	TBD	TBD	TBD	TBD	TBD

local service providers' customers and will include the name and telephone number of each local service provider that elects to be listed on the card and agrees to compensate Bell Atlantic for that provider's share of Bell Atlantic's cost of printing and distributing the card. The Bell Atlantic technicians shall not leave any promotional or marketing literature for or otherwise market Bell Atlantic Telecommunications Services to the LCI User during a premise visit on behalf of LCI. Notwithstanding the foregoing, nothing in this Section 10.3 shall prevent a Bell Atlantic technician (or a Bell Atlantic contractor technician) from providing an LCI User, if the LCI User inquires about a Bell Atlantic service, a telephone number for Bell Atlantic's customer service or sales department.

11.4 Without in any way limiting Section 11.1, the Parties agree that notwithstanding any other provision of this Agreement, Bell Atlantic shall have no obligation to unbrand or rebrand Bell Atlantic's service technicians or vehicles, Bell Atlantic facilities or equipment, or Bell Atlantic provided customer premises equipment.

12. CHOICE OF LAW

The construction, interpretation and performance of this Agreement shall be governed by the laws of the United States of America and the laws of Jurisdiction (without regard to Jurisdiction's conflicts of laws rules). All disputes relating to this Agreement shall be resolved through the application of such laws.

13. COMPLIANCE WITH APPLICABLE LAW

13.1 Each Party shall in its performance of this Agreement comply with Applicable Law, including, but not limited to, all applicable regulations and orders of the Commission and the Federal Communications Commission.

13.2 LCI shall in providing Bell Atlantic Retail Telecommunications Services to LCI Users comply with Applicable Law, including, but not limited to, all applicable regulations and orders of the Commission and the Federal Communications Commission.

14. CONFIDENTIAL INFORMATION

14.1 For the purposes of this Section 14, "Confidential Information" means the following information disclosed by

one Party ("Discloser") to the other Party ("Recipient") in connection with this Agreement:

(a) Books, records, documents and other information disclosed in an audit pursuant to Section 9 or Section ~~13~~, 7.5.

(b) Information provided by Bell Atlantic to LCI pursuant to Section 34.4;

(c) Customer Information related to a customer of Bell Atlantic LCI Customer which is disclosed to LCI throughby LCI to Bell Atlantic OSS Services (except to the extent that (i) the Customer Information is subject to publication in a directory, (ii) the the eCustomer Information is subject to disclosure through an Operator Service or other Telecommunications Service, or in the course of furnishing Telecommunications Services, or (iii) the LCI Customer to whom the Customer Information is related, in the manner required by Applicable Law, has given Bell Atlantic permission to use and/or disclose the Customer Information);

(d) Customer Information related to a Bell Atlantic Customer which is disclosed by Bell Atlantic to LCI (except to the extent that the Customer to whom the Customer Information is related, in the manner therequired by Applicable Law, has given LCI permission to use and/or disclose the Customer Information);

(de) Information identifyingrelated to specific Bell Atlantic facilities and equipment (including, but not limited to, cable and pair identification and pair information) which is disclosed by Bell Atlantic to LCI; and

(ef) Any other information which is identified by the Discloser as Confidential Information in accordance with Section 14.2.

14.2 All information which is to be treated as Confidential Information under Section 14.1(ef) shall:

(a) if in written, graphic, electromagnetic, or other tangible form, be marked as "Confidential-Information" or "Proprietary"; and

(b) if oral, (i) be identified by the Discloser at the time of disclosure to be "Confidential-Information" or

"Proprietary", and (ii) be set forth in a written summary which identifies the information as "Confidential" or ~~Information~~ "Proprietary" and is delivered by the Discloser to the Recipient within ten (10) days after the oral disclosure.

Each Party shall have the right to correct an inadvertent failure to identify information as Confidential Information pursuant to Section 14.1(e~~f~~) by giving written notification within thirty (30) days after the information is disclosed. The Recipient shall, from that time forward, treat such information as Confidential Information.

Notwithstanding any other provision of this Agreement, a Party shall have the right to refuse to accept receipt of information which the other Party has identified as Confidential Information pursuant to Section 14.1(e~~f~~).

14.3 In addition to any requirements imposed by law, including, but not limited to, 47 U.S.C. § 222, for a period of five years from the receipt of Confidential Information from the Discloser, except as otherwise specified in this Agreement, the Recipient agrees:

(a) to use the Confidential Information only for the purpose of performing under this Agreement;

(b) using the same degree of care that it uses with similar confidential information of its own, to hold the Confidential Information in confidence and to disclose it to no one other than the Recipient's Affiliates, and the directors, officers and employees of the Recipient and the Recipient's Affiliates, having a need to know the Confidential Information for the purpose of performing under this Agreement.

14.4 If the Recipient wishes to disclose the Discloser's Confidential Information to a third party Agent or ~~consultant~~ contractor, such disclosure must be mutually agreed to in writing by the Parties to this Agreement, and the Agent or ~~consultant~~ contractor must have executed a written agreement of non-disclosure and non-use comparable in scope to the terms of this Section 14.

14.5 The Recipient may make copies of Confidential Information only as reasonably necessary to perform its obligations under this Agreement. All such copies shall bear the same copyright and proprietary rights notices as are contained on the original.

14.6 The Recipient shall return or destroy all Confidential Information ~~in tangible form~~ received from the Discloser, including any copies made by the Recipient, within thirty (30) days after a written request is delivered to the Recipient, ~~or destroy all such Confidential Information,~~ except for (a) Confidential Information that the Recipient reasonably requires to perform its obligations under this Agreement, and (b) Customer Information related to a Reseller User that is to be Agreement treated as Confidential Information by Bell Atlantic pursuant to Section 14.1(b). If the Recipient loses or makes an unauthorized disclosure of the Discloser's Confidential Information, it shall notify the Discloser immediately and use reasonable efforts to retrieve the lost or improperly disclosed information.

14.7 The requirements of this Section 14 shall not apply to Confidential Information:

(a) which was in the possession of the Recipient free of restriction prior to its receipt from the Discloser;

(b) after it becomes publicly known or available through no breach of this Agreement by the Recipient, the Recipient's Affiliates, or the directors, officers, employees, Agents, or contractors, of the Recipient or the Recipient's Affiliates;

(c) after it is rightfully acquired by the Recipient free of restrictions on its disclosure;

(d) after it is independently developed by the Recipient; or

(e) to the extent the disclosure is required by Applicable Law, a court, or governmental agency; provided, the Discloser has been notified of the required disclosure promptly after the Recipient becomes aware of the required disclosure, the Recipient undertakes reasonable lawful measures to avoid disclosing the Confidential Information until the Discloser has had reasonable time to seek a protective order, and the Recipient complies with any protective order that covers the Confidential Information to be disclosed.

14.8 Each Party's obligations to safeguard Confidential Information disclosed prior to expiration, cancellation or termination of this Agreement shall survive such expiration, cancellation or termination.

14.9 Confidential Information shall remain the property of the Discloser, and the Discloser shall retain all of the Discloser's right, title and interest in any Confidential Information disclosed by the Discloser to the Recipient. Except as otherwise expressly provided elsewhere in this Agreement, no license is granted by this Agreement with respect to any Confidential Information (including, but not limited to, under any patent, trademark, or copyright), nor is any such license to be implied, solely by virtue of the disclosure of any Confidential Information.

14.10 Each Party agrees that the Discloser would be irreparably injured by a breach of this Section 14 by the Recipient, the Recipient's Affiliates, or the directors, officers, employees, Agents or contractors of the Recipient or the Recipient's Affiliates, and that the Discloser shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Section 14. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 14, but shall be in addition to any other remedies available at law or in equity.

14.11 The provisions of this Section 14 shall be in addition to and not in derogation of any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and are not intended to constitute a waiver by a Party of any right with regard to protection of the confidentiality of information of the Party or its customers provided by Applicable Law. In the event of a conflict between a provision of this Section 14 and a provision of Applicable Law, the provision of Applicable Law shall prevail.

15. CONTINGENCIES

Neither Party shall be liable for any delay or failure in performance by it which results from strikes, labor slowdowns, or other labor disputes, fires, explosions, floods, earthquakes, volcanic action, delays in obtaining or inability to obtain necessary services, facilities, equipment, parts or repairs thereof, power failures, embargoes, boycotts, unusually severe weather conditions, revolution, riots or other civil disturbances, war or acts of the public enemy, acts of God, or causes beyond the Party's reasonable control.

16. LCI'S PROVISION OF SERVICE

(a) the quality of the Bell Atlantic OSS Service, as well as the quality of the access to the Bell Atlantic OSS Service, will be the Same as that which Bell Atlantic provides to other Telecommunications Carriers requesting access to the Bell Atlantic OSS Service; and

(b) the quality of the Bell Atlantic OSS Service, as well as the quality of the access to the Bell Atlantic OSS Service, will be Equal in quality to that which Bell Atlantic provides to itself.

As used in this Section 34.3, "Equal" and "Same" mean that there is no ~~{statistically(?)}~~ statistically significant difference in quality.

34.4 Bell Atlantic shall provide to LCI the performance measurement reports listed in Exhibit III. Such reports shall be treated by LCI as Confidential Information of Bell Atlantic under Section 14. Notwithstanding the preceding sentence and Section 14, commencing four (4) months after LCI begins to purchase Bell Atlantic Services for use by LCI to provide service to LCI Users on a general commercial basis, the reports may be used and disclosed by LCI for the purposes of enforcing LCI's rights under Applicable Law and this Agreement. In making any such disclosure, LCI shall make reasonable efforts to preserve the confidentiality of the reports while they are in the possession of any person to whom they are disclosed, including, but not limited to, by requesting a governmental entity to whom the reports are disclosed to treat them as confidential.

35. SURVIVAL

Any liabilities or obligations of a Party for acts or omissions of the Party prior to the termination, cancellation or expiration of this Agreement, any liabilities or obligations of a Party under any provision of this Agreement regarding indemnification or defense, Customer Information, confidential information, or limitation or exclusion of liability, and any liabilities or obligations of a Party under any provision of this Agreement which by its terms is contemplated to survive (or be performed after) termination, cancellation or expiration of this Agreement, shall survive termination, cancellation or expiration of this Agreement.

36. TARIFF AND SERVICE CHANGE NOTICES

36.1 Bell Atlantic will give LCI notice of:

marketing literature for or otherwise market Bell Atlantic Telecommunications Services to the LCI User during a premise visit on behalf of LCI. Notwithstanding the foregoing, nothing in this Section 10.3 shall prevent a Bell Atlantic technician (or a Bell Atlantic contractor technician) from providing an LCI User, if the LCI User inquires about a Bell Atlantic service, a telephone number for Bell Atlantic's customer service or sales department.

11.4 Without in any way limiting Section 11.1, the Parties agree that notwithstanding any other provision of this Agreement, Bell Atlantic shall have no obligation to unbrand or rebrand Bell Atlantic's service technicians or vehicles, Bell Atlantic facilities or equipment, or Bell Atlantic provided customer premises equipment.

12. CHOICE OF LAW

The construction, interpretation and performance of this Agreement shall be governed by the laws of the United States of America and the laws of Jurisdiction (without regard to Jurisdiction's conflicts of laws rules). All disputes relating to this Agreement shall be resolved through the application of such laws.

13. COMPLIANCE WITH APPLICABLE LAW

13.1 Each Party shall in its performance of this Agreement comply with Applicable Law, including, but not limited to, all applicable regulations and orders of the Commission and the Federal Communications Commission.

13.2 LCI shall in providing Bell Atlantic Retail Telecommunications Services to LCI Users comply with Applicable Law, including, but not limited to, all applicable regulations and orders of the Commission and the Federal Communications Commission.

14. CONFIDENTIAL INFORMATION

14.1 For the purposes of this Section 14, "Confidential Information" means the following information disclosed by one Party ("Discloser") to the other Party ("Recipient") in connection with this Agreement:

- (a) Books, records, documents and other information disclosed in an audit pursuant to Section 9 or Section 17.5.

~~(b) Information provided by Bell Atlantic to LCI pursuant to Section 14.4;~~

~~(c) Customer Information related to an LCI CustomUser which is disclosed by LCI to Bell Atlantic (except to the extent that (i) the Customer Information is subject to publication in a directory, (ii) the Customer Information is subject to use and/or disclosure through an Operator Service or other Telecommunications Service, or in the course of furnishing Telecommunications Services, or (iii) the LCI CustomUser to whom the Customer Information is related, in the manner required by Applicable Law, has given Bell Atlantic permission to use and/or disclose the Customer Information);~~

(dc) Customer Information related to a Bell Atlantic Customer which is disclosed by Bell Atlantic to LCI (except to the extent that the Customer to whom the Customer Information is related, in the manner required by Applicable Law, has given LCI permission to use and/or disclose the Customer Information);

(ed) Information related to specific Bell Atlantic facilities and equipment (including, but not limited to, cable-and-pair information) which is disclosed by Bell Atlantic to LCI; and

(fe) Any other information which is identified by the Discloser as Confidential Information in accordance with Section 14.2.

14.2 All information which is to be treated as Confidential Information under Section 14.1(fe) shall:

(a) if in written, graphic, electromagnetic, or other tangible form, be marked as "Confidential" or "Proprietary"; and

(b) if oral, (i) be identified by the Discloser at the time of disclosure to be "Confidential" or "Proprietary", and (ii) be set forth in a written summary which identifies the information as "Confidential" or "Proprietary" and is delivered by the Discloser to the Recipient within ten (10) days after the oral disclosure.

Each Party shall have the right to correct an inadvertent failure to identify information as Confidential Information

pursuant to Section 14.1(~~fe~~) by giving written notification within thirty (30) days after the information is disclosed. The Recipient shall, from that time forward, treat such information as Confidential Information.

Notwithstanding any other provision of this Agreement, a Party shall have the right to refuse to accept receipt of information which the other Party has identified as Confidential Information pursuant to Section 14.1(~~fe~~).

14.3 In addition to any requirements imposed by law, including, but not limited to, 47 U.S.C. § 222, for a period of five years from the receipt of Confidential Information from the Discloser, except as otherwise specified in this Agreement, the Recipient agrees:

(a) to use the Confidential Information only for the purpose of performing under this Agreement;

(b) using the same degree of care that it uses with similar confidential information of its own, to hold the Confidential Information in confidence and to ~~disclose it to no one other than~~ restrict disclosure of the Confidential Information to the Recipient's Affiliates, and the directors, officers and employees of the Recipient and the Recipient's Affiliates, having a need to know the Confidential Information for the purpose of performing under this Agreement.

14.4 If the Recipient wishes to disclose the Discloser's Confidential Information to a third party Agent or contractor, such disclosure must be mutually agreed to in writing by the Parties to this Agreement, and the Agent or contractor must have executed a written agreement of non-disclosure and non-use comparable in scope to the terms of this Section 14.

14.5 The Recipient may make copies of Confidential Information only as reasonably necessary to perform its obligations under this Agreement. All such copies shall bear the same copyright and proprietary rights notices as are contained on the original.

14.6 The Recipient shall return or destroy all Confidential Information received from the Discloser, including any copies made by the Recipient, within thirty (30) days after a written request is delivered to the Recipient, except for (a) Confidential Information that the Recipient reasonably requires to perform its obligations under this Agreement,

and (b) Customer Information related to a ~~Reseller~~ LCI User that is to be treated as Confidential Information by Bell Atlantic pursuant to Section 14.1(b). If the Recipient loses or makes an unauthorized disclosure of the Discloser's Confidential Information, it shall notify the Discloser immediately and use reasonable efforts to retrieve the lost or improperly disclosed information.

14.7 The requirements of this Section 14 shall not apply to Confidential Information:

(a) which was in the possession of the Recipient free of restriction prior to its receipt from the Discloser;

(b) after it becomes publicly known or available through no breach of this Agreement by the Recipient, the Recipient's Affiliates, or the directors, officers, employees, Agents, or contractors, of the Recipient or the Recipient's Affiliates;

(c) after it is rightfully acquired by the Recipient free of restrictions on its disclosure;

(d) after it is independently developed by the Recipient; or

(e) to the extent the disclosure is required by Applicable Law, a court, or governmental agency; provided, the Discloser has been notified of the required disclosure promptly after the Recipient becomes aware of the required disclosure, the Recipient undertakes reasonable lawful measures to avoid disclosing the Confidential Information until the Discloser has had reasonable time to seek a protective order, and the Recipient complies with any protective order that covers the Confidential Information to be disclosed.

14.8 Each Party's obligations to safeguard Confidential Information disclosed prior to expiration, cancellation or termination of this Agreement shall survive such expiration, cancellation or termination.

14.9 Confidential Information shall remain the property of the Discloser, and the Discloser shall retain all of the Discloser's right, title and interest in any Confidential Information disclosed by the Discloser to the Recipient. Except as otherwise expressly provided elsewhere in this Agreement, no license is granted by this Agreement with respect to any Confidential Information (including, but not

limited to, under any patent, trademark, or copyright), nor is any such license to be implied, solely by virtue of the disclosure of any Confidential Information.

14.10 Each Party agrees that the Discloser would be irreparably injured by a breach of this Section 14 by the Recipient, the Recipient's Affiliates, or the directors, officers, employees, Agents or contractors of the Recipient or the Recipient's Affiliates, and that the Discloser shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Section 14. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 14, but shall be in addition to any other remedies available at law or in equity.

14.11 The provisions of this Section 14 shall be in addition to and not in derogation of any provisions of Applicable Law, including, but not limited to, 47 U.S.C. § 222, and are not intended to constitute a waiver by a Party of any right with regard to protection of the confidentiality of information of the Party or its customers provided by Applicable Law. In the event of a conflict between a provision of this Section 14 and a provision of Applicable Law, the provision of Applicable Law shall prevail.

14.12 Bell Atlantic's use and disclosure of Customer Information related to an LCI User which is generated by Bell Atlantic in the performance of this Agreement shall be subject to the restrictions provided by Applicable Law (including, but not limited to, Section 222 of the Act, 47 U.S.C. § 222).

15. CONTINGENCIES

Neither Party shall be liable for any delay or failure in performance by it which results from strikes, labor slowdowns, or other labor disputes, fires, explosions, floods, earthquakes, volcanic action, delays in obtaining or inability to obtain necessary services, facilities, equipment, parts or repairs thereof, power failures, embargoes, boycotts, unusually severe weather conditions, revolution, riots or other civil disturbances, war or acts of the public enemy, acts of God, or causes beyond the Party's reasonable control. In providing Bell Atlantic Retail Telecommunications Services that are affected by a contingency described in this Section 15, to the extent required by Applicable Law, Bell Atlantic shall act in a

51.311 and 51.313) and technically feasible, Bell Atlantic shall provide a Bell Atlantic OSS Service to LCI such that:

(a) the quality of the Bell Atlantic OSS Service, as well as the quality of the access to the Bell Atlantic OSS Service, will be the Same as that which Bell Atlantic provides to other Telecommunications Carriers requesting access to the Bell Atlantic OSS Service; and

(b) the quality of the Bell Atlantic OSS Service, as well as the quality of the access to the Bell Atlantic OSS Service, will be Equal in quality to that which Bell Atlantic provides to itself.

As used in this Section 34.3, "Equal" and "Same" mean that there is no statistically significant difference in quality.

34.4 Bell Atlantic shall provide to LCI the performance measurement reports listed in Exhibit III. Such LCI agrees that the information included in these reports shall be treated by LCI as Confidential Information of Bell Atlantic under Section 14-; provided that, such information may be reported by LCI to the Commission, the Federal Communications Commission, or courts of competent jurisdiction, under cover of a protective order ~~Notwithstanding the preceding sentence and Section 14, commencing four (4) months after LCI begins to purchase Bell Atlantic Services for use by LCI to provide service to LCI Users on a general commercial basis, the reports may be used and disclosed by LCI for the purposes of enforcing LCI's rights under Applicable Law and this Agreement. In making any such disclosure, LCI shall make reasonable efforts to preserve the confidentiality of the reports while they are in the possession of any person to whom they are disclosed, including, but not limited to, by requesting a governmental entity to whom the reports are disclosed to treat them as confidential agreed upon by LCI and Bell Atlantic.~~

35. SURVIVAL

Any liabilities or obligations of a Party for acts or omissions of the Party prior to the termination, cancellation or expiration of this Agreement, any liabilities or obligations of a Party under any provision of this Agreement regarding indemnification or defense, Customer Information, confidential information, or limitation or exclusion of liability, and any liabilities or obligations of a Party under any provision of this Agreement which by its terms is contemplated to survive (or be



Anne K. Bingaman
Senior Vice President
President, Local
Telecommunications Division

May 22, 1997

HAND DELIVERED

Mr. Neil Cox
President
Ameritech Information Industry Services
350 North Orleans, Floor Three
Chicago, IL 60654

Dear Neil:

I write to make you personally aware of the continuous stream of problems that LCI has encountered working with Ameritech to provide competitive local service in your region in spite of the best efforts of your line staff. The problems appear to be the direct result of legal, marketing, and staffing decisions made at upper management levels, which is why I am addressing this letter to you. Attached you will find 28 documents:

- 25 letters in chronological order; 10 drafted by me and the remaining 15 drafted by my staff, come first.
- Two faxes from Ameritech's Michael O'Sullivan follow the letters. I note in this regard that while Mr. O'Sullivan recently forwarded these faxes to LCI, he never has responded in writing to LCI letters. I can only conclude from this paucity of documentation that Ameritech is either grossly and seriously under staffed; or that Mr. O'Sullivan is following a deliberate Ameritech policy of putting as little as possible in writing while its various 271 applications are pending. In either case, LCI has been greatly frustrated by the lack of action as detailed below, or even the courtesy of a written response from Ameritech.
- The Ohio resale agreement between Ameritech and LCI is the final attachment, addressed below.

LCI has encountered numerous barriers erected by Ameritech that make providing competitive local service in Ameritech's region at best difficult and in many cases impossible. First, evidence continues to emerge suggesting that Ameritech has deliberately foreclosed competition altogether by locking customers into long-term contracts with huge termination charges for several important product lines. Second, Ameritech is deliberately forestalling network platform competition by refusing to permit LCI to order or test a combination of unbundled network elements ("UNE"). Third, Ameritech is not providing operations support system ("OSS") parity to LCI, which has limited LCI's ability to deliver a truly competitive service. Each of these is set forth briefly below.

I. AMERITECH'S APPARENT EFFORT TO FORECLOSE COMPETITION BY LOCKING CUSTOMERS INTO LONG-TERM CONTRACTS

Ameritech is deliberately foreclosing competition by locking up a substantial segment of the local market by tying customers to long-term contracts with huge termination penalties in every major market segment purportedly open to competition. This appears to have been done in the fairly recent past by Ameritech with the purpose and effect of foreclosing huge portions of the customer base from competitors' reach.

The FCC expressly addressed such long-term contracts entered into before competition had developed in its December 24, 1996 NPRM on access charges. At paragraph 190 therein, the FCC stated:

By "locking in" customers with substantial discounts for long-term contracts and volume commitments before a new entrant that could become more efficient than the incumbent can offer comparable volume and term discounts, it is possible that even a relatively inefficient incumbent LEC may be able to forestall the day when the more efficient entrant is able to provide customers with better prices.

In antitrust terms, such contracts can constitute illegal maintenance of a monopoly in violation of Section 2 of the Sherman Act.

A. Ameritech's long-term intraLATA toll call contracts foreclose up to 50 percent of both the local and intraLATA markets from competition

We have recently become aware that long-term contracts for Ameritech's intraLATA toll service, typically called "Value Link," may bind as many as 50 percent of business customers, according to LCI sales staff. See Exhibit T. After first contacting Ameritech regarding Value Link in March, your organization stated that LCI must either assume liability for each contract or pay the customer's termination penalty. See Exhibits N and T. This huge base of Value Link contracts appears to have been deliberately created in anticipation of competition in order to foreclose competitors' access to this

important market. Ameritech has refused to verify our estimate (see Exhibit T), and we hereby request that you do so.

Value Link contracts are anticompetitive in another manner as well. We have recently become aware that in 2PIC states, such as Illinois, where today customers legally have the right to choose separate local and intraLATA service providers, Ameritech's billing system is designed so that the local portion of Value Link customers' bills cannot be separated from the intraLATA portion. Effectively, Ameritech's billing system thereby precludes LCI from offering even local service to customers in 2PIC states, where such customers have Value Link contracts (unless LCI itself assumes liability for the Value Link contract or pays the customer's termination penalty).

Thus, by means of its defective and inadequate billing system, Ameritech has effected an illegal tie of local service to its long-term Value Link contracts, again foreclosing what may be as much as 50 percent of the business market from local competition. As noted previously, our efforts to resolve this vitally important issue have met with zero success to date.

B. Ameritech's long-term Centrex contracts also foreclose up to 50 percent of the small business market from effective competition

As you know, Ameritech's Centrex product is sold principally to business customers with less than 20 lines. This is so because it typically becomes economic to install a dedicated T-1 access for over 20 lines, and to use a PBX on the customer's premises, rather than Centrex.

To date, LCI sales staff have reported 50 separate instances where businesses in the Ameritech region have indicated that they cannot elect LCI local service because of long-term Centrex contracts. Of these 50 contracts, over 40 percent run for a seven year term, and have huge termination penalties. The pervasiveness and term length of these contracts suggest a concerted effort to bar local competition in the Ameritech region.

LCI does not have access to precise data on the percentage of the small business market foreclosed by Centrex contract. LCI hereby requests this information promptly.

C. Ameritech has foreclosed competition for a major portion of the large business telephone market, by locking in such customers with volume discounts under long-term contracts subject to large termination penalties

From what our Chicago sales office has recently told me, Ameritech has engaged in similar long-term contracts with huge termination penalties for major segments of the business market. LCI hereby requests full information on those contracts, their terms,

and the percentage of the market foreclosed. We believe these contracts also can constitute illegal maintenance of a monopoly.

II. AMERITECH'S EFFORTS TO PREVENT LCI FROM EITHER PURCHASING OR TESTING UNES

LCI first indicated its desire to transition to UNES in October 1996. See Exhibit A. After an additional eight written requests and two meetings, Ameritech continues to refuse to enter an agreement either to sell or to test the UNE platform that LCI needs. See Exhibits B, E, G, I, M, P, Q and Y. Ameritech knows that LCI cannot compete effectively on price without transitioning to UNES, and Ameritech evidently has employed a negotiating strategy of calculated ineptitude designed to delay indefinitely any forward progress on selling or testing LCI's requested UNE platform.

A. Refusal to provide LCI with the requested UNE platform

At our February 28 meeting, LCI outlined in great detail its desire to order from Ameritech a UNE platform, composed of the loop, switch, and non-discriminatory access to Ameritech's interoffice network for transporting and terminating local calls at cost-based rates as required by the Act. Under this approach, LCI would serve its customers as the local exchange and exchange access provider, while ensuring that the existing Ameritech network is used as efficiently as possible to complete local traffic.

Ameritech countered with two proposals, neither of which would provide LCI with non-discriminatory access to Ameritech's interoffice transport at cost-based rates. Ameritech's first proposal would force LCI to purchase dedicated transport from all end offices, and the second proposal would force LCI to complete calls over the Ameritech interoffice network, paying retail rates less the wholesale discount. Both of these proposals deter competition by limiting LCI's ability to purchase the combination of network elements necessary for reducing access costs.

B. Refusal to allow LCI to test the requested UNE platform

To avoid, at least temporarily, any legal disputes between LCI and Ameritech regarding transport arrangements contemplated by the Act, LCI indicated at the February 28 meeting a desire simply to test its proposed UNE platform. LCI even went so far as to agree to Ameritech's proposed compensation terms for using interoffice transport. Regarding the test, Ameritech indicated that it would provide LCI with the following data by March 7:

- The recording, measurement, and exchange of data required to support carrier billing by LCI as the provider of local switching and loop-related access services to other carriers for originating and terminating access;
- The recording, measurement, and exchange of data required for LCI to provide termination of other carriers' local traffic to LCI's customers served using unbundled local switching; and
- Systems and procedures required for ordering local transport and termination as a cost-based network function, in combination with the unbundled local switching element, to complete calls over the Ameritech interoffice network.

See Exhibit I. After failing to respond by March 7 as promised, Ameritech committed to responding by March 14. After failing to respond by March 14, I drafted an additional letter to Ameritech only to receive an evasive response on March 19.

LCI and Ameritech met again to discuss the proposed test on April 10. LCI reiterated its desire to test the systems needed to enable LCI, as the purchaser of unbundled local switching, to serve as the provider of call origination and termination. Ameritech rejected LCI's test proposal by letter dated April 16, and another exchange ensued. I have this date repeated, for the sake of ending what has begun to seem an interminable round of letters, the full details of LCI's test proposal, first put forward on February 28, 1997 and documented by us in full and complete detail.

As I stated in my letter to Ed Wynn of today, see Exhibit Y, I have begun to conclude that Ameritech is stalling the test as originally agreed to on February 28. I hope this is not the case. LCI remains ready to proceed promptly to test the UNE network platform and Ameritech's OSS and procedures by transitioning first our Chicago and Grand Rapids sales office and then friendly customers to the UNE platform, so that LCI and Ameritech can gain experience with Ameritech's OSS for the UNE platform.

III. AMERITECH'S FAILURE TO PROVIDE OSS PARITY

Ameritech's OSS fails to provide LCI and others with OSS parity. Ameritech's OSS (a) lacks the ability to respond adequately to customer-specific service problems, (b) is incapable of providing accurate and timely data critical to billing, (c) lacks mechanisms for providing accurate and timely ordering and provisioning information, and (d) will not improve through its planned electronic data interchange ("EDI") system because the system contemplated fails to correct or even directly address existing manual system problems.

A. Failure to respond adequately to customer-specific service issues

Ameritech has failed to provision correctly a number of LCI local customers, damaging our reputation as a local service provider in your region. Specific examples follow.

1. La Rabida Children's Hospital ("La Rabida")

La Rabida has remained a chronic problem since LCI first assumed this account on December 16, 1996. See Exhibit E. Ameritech's failure to provide order confirmation, its failure to provide timely usage information, and its failure to understand its own billing system caused LCI to lose this customer, greatly damaging LCI's reputation with health care providers in Illinois.

While LCI sent the order to Ameritech in December 1996, we did not learn until February that Ameritech was unable to fill La Rabida's order properly because of internal Ameritech billing problems. Ameritech apparently maintains two billing systems, an old system for accounts with grandfathered products and a new system for other accounts. Unfortunately the old billing system apparently is not compatible with Ameritech's new billing system, where Ameritech keeps all LCI accounts. This billing system incompatibility problem prevented Ameritech from properly generating customer usage data, without which we cannot bill our customers.

Based on Ameritech assurances, LCI believed that Ameritech and LCI had resolved La Rabida's billing and presubscribed interexchange carrier ("PIC") difficulties as early as January 22; however, problems persisted and LCI lost the La Rabida local account in February. See Exhibits E and R. Although LCI provisioned La Rabida back to Ameritech three months ago, Ameritech's internal billing system problems persist, and Ameritech continues to bill this account to LCI.

Ameritech's failure to handle this order has consumed a tremendous amount of LCI and Ameritech staff time, evidenced by the activities described in our follow-up letters of February 12, April 28, April 29, May 9, May 14, and May 20. See Exhibits E, R, S, V, W, and X. In spite of all of the work done to identify La Rabida's problems, we have real concerns that Ameritech has not implemented safeguards to prevent this type of problem from occurring in the future.

Once Ameritech completely converts La Rabida back to Ameritech, we request two additional actions. First, Ameritech and LCI need to draft a joint letter to La Rabida describing problems and delays, so that La Rabida will understand that it is Ameritech's legacy billing system which has caused these inordinate delays. Second, Ameritech needs to participate in a conference call with LCI staff to discuss compensation for La Rabida.

2. Embassy Executive Center ("Embassy")

Problems associated with our Embassy account took over six months to resolve -- from December 4, 1996 when Ameritech turned up the account, to May 13 when Ameritech indicated that it would credit Embassy for intraLATA toll charges. See Exhibits D, L, and W.

Similar to La Rabida, Embassy's problems emanated from compatibility problems between Ameritech's old and new billing systems. For customers with grandfathered products, billing system problems prevent Ameritech from properly generating customer usage data, without which LCI cannot bill its customers.

LCI received verbal notification that Ameritech completed the Embassy conversion on January 22 (we submitted the application to Ameritech on November 18, 1996), but because the account showed no traffic, we continued to research the issue and only then learned of the billing problem. See Exhibits D and L. Reliable confirmation and usage information would have enabled us to identify Ameritech's billing problem and resolve this problem more quickly.

Ameritech's internal billing problems created other problems as well. On the initial order, LCI listed Sprint as the long distance PIC; however, Ameritech incorrectly PIC'd the customer to LCI. LCI promptly informed Ameritech of this error, but Ameritech failed to execute the billing change. Ameritech staff later concluded that internal Ameritech billing problems delayed the PIC change, resulting in the error. See Exhibit L. Even worse, LCI has not received confirmation that Ameritech has in fact issued the credit to Embassy.

Ameritech has failed to work with LCI to prevent these issues from occurring with other customers. We repeatedly have asked Ameritech to provide timely usage information and a means to identify "grandfathered" accounts. See Exhibits C, D, L, N, O, R, S, W, and X. To date, Ameritech has failed to respond directly to or satisfy any of these requests. Because Ameritech has failed to provide a means by which we can avoid these problems from recurring, LCI is no better off operationally than it was last December.

3. Fox Valley Fire & Safety ("Fox Valley")

Issues related to Fox Valley also have remained unresolved since December 1996. While Ameritech has stated that it provisioned LCI's Fox Valley order on December 20, 1996, no usage appeared until May 10, 1997, nearly five months later. See Exhibits V, W. As for the traffic that has appeared, Ameritech has neither indicated when the usage occurred nor offered LCI any plans for reconciling this customer's billing records.